

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WISCONSIN

In re:

Michael A. Gral¹,

Debtor-in-Possession.

Case No. 16-21329

Chapter 11

Jointly Administered

**MOTION FOR ORDER ENFORCING THE AUTOMATIC STAY AGAINST CONTINUATION
OF LITIGATION IN THE CIRCUIT COURT OF MIAMI-DADE COUNTY BY THE ESTATE
OF PETER MARGOLIS AND FOR IMPOSITION OF SANCTIONS FOR VIOLATION OF THE
AUTOMATIC STAY**

The Debtor, Michael A. Gral, brings this Motion for damages for willful violation of the Automatic Bankruptcy Stay by the Estate of Peter Margolis (the "Estate"). Debtor, Michael A. Gral, requests the following relief:

A) To declare void all of the actions described below be the Estate in Miami-Dade Case No. 15-04325 CA 02 (the "State Court Proceedings") as being in violation of 11 United States Code § 362(a)(1, 2, 3, 4, and 5); and

B) For sanctions against the Estate and its attorney for the willful violation of the Automatic Bankruptcy Stay under 11 United States Code § 363(k)(1).

In support of this Motion the Debtor alleges:

1) The Debtor filed a Petition under Chapter 11 of Title 11 United States Code on February 20, 2016.

¹ The court is jointly administering *In re Michael A. Gral*, Case No. 16-21329 and *In re Gral Holdings Key Biscayne, LLC*, Case No. 16-21330; and, separately, the court is jointly administering *In re Michael A. Gral*, Case No. 16-21329 and *In re Capital Ventures, LLC*, Case No. 16-21331. **This pleading relates to *In re Michael A. Gral*, Case No. 16-21329 and *In re Gral Holdings Key Biscayne, LLC*, Case No. 16-21330.**

Jonathan V. Goodman
Law Offices of Jonathan V. Goodman
788 N. Jefferson Street, Suite 707
Milwaukee, WI 53202
Phone: (414) 276-6760; Fax: (414) 287-1199
Email: JGoodman@ameritech.net

2) On July 1, 2016, the United States Trustee appointed a Creditor's Committee. The Estate is one of its Members.

3) On June 28, 2016, this Court ruled that this Debtor and Gral Holdings Key Biscayne, LLC, a joint Debtor, were not entitled to an Injunction under 11 United States Code § 105 enjoining the Estate from proceeding in the State Court Proceedings. However, during the Evidentiary Hearing on June 24, 2016, and in its Oral Decision, the Court indicated that the Automatic Bankruptcy Stay under 11 United States Code § 362 applied to the State Court action until and unless it is determined that Julia A. Gral's interest in entities known as Margolis Gral, LLC and Glendale Medical, LLC, are the individual property of Julia A. Gral and not property this Estate, as being marital property of the Debtor and Julia A. Gral.

4) Notwithstanding, the Court's reasoning regarding the State Court Proceedings, the Estate and its counsel have taken action to continue the State Court Proceedings by actions to hold Julia A. Gral and Gral Holdings Ltd., and the Michael A. Gral and Julia G. Gral Living Trust in default for failure to name substitute counsel, and have requested that the State Court allow an additional party or parties into the State Court proceedings, which the Debtor believes is Margolis Gral, LCC, but which the Estate has refused to disclose. Attached as Exhibit A is a copy of the pleadings that Debtor's counsel has received from the Florida Court.

5) In response, Debtor's counsel notified the Estate's counsel that the actions taken by the Estate are in violation of the Automatic Bankruptcy Stay and that the Debtor would move for sanctions against the Estate and its attorney if the Estate did not immediately stop pursuing the State Court Proceedings. Attached hereto as Exhibit B are copies of the communications.

6) Attached hereto as Exhibit C are the responses by the Estate.

7) Further attached hereto as Exhibit D are the various pre-petition pleadings that had been asserted by the Estate which include an allegation that the Estate intends to attempt to do a reverse piercing of the corporate veil of Gral Holdings Ltd. the general partner ownership of which is property of this Estate. In the Debtor's opinion, the petition that is included in Exhibit D is a mishmash of certain

post-Judgment Claims, similar to the Complaint that the Court commented on in the State Court Proceedings involving Bielinski Bros. Builders, Inc.

Accordingly, the Debtor requests:

i) that the Court immediately declare null and void, all actions taken by the Estate in the State Court Proceedings after June 28, 2016; and

ii) that the Court hold a hearing to determine damages to the Debtor as the result of the willful, knowing, and contumacious disregard and violation of the Automatic Bankruptcy Stay, including, but not limited to, punitive damages in order to deter the Estate and other parties from willful violations of the Automatic Bankruptcy Stay, after warning not to do so.

Dated this 5th day of July, 2016.

LAW OFFICES OF JONATHAN V. GOODMAN
Attorneys for Debtors Michael A. Gral and
Gral Holdings Key Biscayne, LLC

By: _____


Jonathan V. Goodman

Jonathan V. Goodman
Law Offices of Jonathan V. Goodman
788 N. Jefferson Street, Suite 707
Milwaukee, WI 53202
Phone: (414) 276-6760; Fax: (414) 287-1199
Email: JGoodman@ameritech.net